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RUEHLP/AMEMBASSY LA PAZ JUL 0653  
RUEHPE/AMEMBASSY LIMA PRIORITY 1778  
RUEHGL/AMCONSUL GUAYAQUIL PRIORITY 2547  
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UNCLAS QUITO 001573

SIPDIS

SENSITIVE  
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E.O. 12958: N/A  
TAGS: [PGOV](#) [PREL](#) [EC](#)  
SUBJECT: CORREA STRIKES BACK AT OPPOSITION WITH ALLEGATIONS  
OF CONGRESSIONAL VOTE-SELLING

REF: A. QUITO 1488

- [1](#)B. QUITO 1423
- [1](#)C. QUITO 1422
- [1](#)D. QUITO 554

[1](#)1. (SBU) SUMMARY: On July 7, President Correa accused 18 congressmen of offering to support the government,s controversial banking reform law in exchange for political favors such as appointments to high posts in state-owned companies. The president also implicated Guayas prefect Nicolas Lapentti and former president Lucio Gutierrez in payoffs that tanked the Province 23 bill (Reftel C). Correa,s accusations against the congressmen come as his popularity declines and congressional support for his pet projects is becoming harder to secure (Reftel A). By attacking his opponents on ethical issues, he is hoping to deflect attention from the corruption clouds that are tarnishing his own administration's image. As the elections for the Constituent Assembly draw near, all sides appear ready to do whatever it takes to win control. END SUMMARY.

UNDERCOVER POLICE STING EXPOSES SUPPOSED VOTE SELLING  
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[1](#)2. (SBU) According to Correa, Congressman Cesar Alonzo Mora (National Dignity Bloc) requested a private meeting with him to discuss Congressional support for pending Correa-backed legislation. In his place, the president sent an undercover police captain, Ronny Vallejo, posing as a presidential advisor. In his DATE meeting with Vallejo, Mora reportedly offered 18 congressional votes in favor of the president,s banking reform law in exchange for key appointments in state-owned companies like Petroecuador and Andinatel. The meeting was recorded, and the tape was submitted as part of a formal complaint to the Fiscalía General (Attorney General equivalent) filed on July 9.

LAPENTTI AND GUTIERREZ ALSO CAUGHT WITH THEIR PANTS DOWN  
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[1](#)3. (SBU) The taped conversations also reportedly incriminate Guayas prefect Nicolas Lapentti (PSC), who allegedly paid selected Congressmen \$100,000 dollars to vote against a bill that would have created a new province in Santa Elena carved out of Guayas (Reftel C), and former president Lucio Gutierrez (PSP) who allegedly received \$500,000 dollars as part of the same deal.

CHARGES COME AS CORREA,S SUPPORT IN CONGRESS WANING

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¶4. (SBU) The accusations come as Correa,s popularity, while still fairly high, continues to slip and his leverage fades over a Congress filled with opposition parties and a motley assortment of opportunistic replacement deputies. Sensing gaps in the president,s armor, previously loyal congressmen like those in the National Dignity Bloc are becoming less reliable. As a result, Correa has failed to garner enough votes to push through two recent measures relating to the banking sector: removing Alfredo Vergara, Superintendent of Banks, from office and approving his changes to the controversial banking reform law.

COMMENT

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¶5. (SBU) The timing of the charges seems calculated, but given the crassly opportunistic nature of Ecuadorian politics, it would not be surprising if the allegations are true. More importantly, it appears that the Patinovideo scandal, the squabbles with the press and stalled efforts on key initiatives have the president worried about an opposition resurgence. As a result, he is resorting to the same take-no-prisoners tactics that helped him decimate the opposition following last year,s elections. This presages a very bitter battle over Constituent Assembly seats as the race heats up in the next few months.

JEWELL